

BOARD POLICY

WESTERN IOWA TECH COMMUNITY COLLEGE

Series Number 703.6

Title Income

Investment

College funds in excess of current needs shall be invested in compliance with this policy. The goals of the College's investment portfolio in order of priority are:

- To provide safety of the principal;
- To maintain the necessary liquidity to match expected liabilities; and
- To obtain a reasonable rate of return.

In making investments, the College shall exercise the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use to meet the goals of the investment program.

College funds are monies of the merged area, including operating funds. "Operating funds" are funds which are reasonably expected to be used during a current budget year or within fifteen months of receipt. When investing operating funds, the investments must mature within three hundred ninety-seven days or less. When investing funds other than operating funds, the investments must mature according to the need for the funds. Funds available for investment shall be identified and distinguished from operating funds.

The Board authorizes the Treasurer to invest funds in excess of current needs under the provision of Chapter 12B (5), Code of Iowa 1999, as amended, or successor laws which include, but not limited to the following investments.

- Interest bearing savings, money market, and checking accounts at the College's authorized depositories;
- Iowa Schools Joint Investment Trust Program (ISJIT);
- Certificates of deposit and other evidences of deposit at federally insured depository institutions approved pursuant to chapter 12C;
- Repurchase agreements in which underlying collateral consists of investments in government securities. The College must take delivery of the collateral either directly or through an authorized custodian;
- An open-end management investment company registered with the Federal Securities Exchange Commission and commonly referred to as a money market mutual fund. The money market mutual fund shall use only the investments individually authorized by law for state agencies; and
- Obligations of the United States government, its agencies and instrumentalities.

BOARD POLICY

WESTERN IOWA TECH COMMUNITY COLLEGE

Series Number 703.6

Title Income

Investment (continued)

College funds shall not be invested in the following:

- Reverse repurchase agreements.
- Futures and options contracts.

College funds shall not be invested pursuant to the following investment practices:

- Trading of securities for speculation or the realization of short term trading gains.
- Pursuant to a contract providing for the compensation of an agent or fiduciary based upon the performance of the invested assets.
- If a fiduciary or other third party with custody of public investment transaction records of the college fails to produce requested records when requested by the college within a reasonable time, the college shall make no new investment with or through the fiduciary or third party and shall not renew maturing investments with or through the fiduciary or third party.

It shall be the responsibility of the President to deliver a copy of this policy to the College's depositories, auditor, and outside persons doing investment business with the College.

It shall also be the responsibility of the President, in conjunction with the Treasurer and the Chief Financial Officer to develop a system of investment practices. The investment practices shall be designed to prevent losses, to document the officers' and employees' responsibility for elements of the investment process, and to address the capability of the management.

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11.2, .6; 12.62; 12B.10, .10A; 12C;

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22.1, .14; 28E.2; 257; 260C; 279.29;

283A; 285; 502.701; 633.123.

Related Administrative Procedures and Cross References _____

